

# ANNUAL REPORT

2010

JOZINI LOCAL MUNICIPALITY



## ANNUAL REPORT 2010

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### Vision

"To be the best service delivery municipality championing development through accountable Government."

### Mission

"Championing development in all aspects."

## Review by the Mayor

In the last 10 years that I have held the office of Mayor it is extremely satisfying to look back at what this Council and the municipal officials have achieved in terms of meeting our service delivery targets and promoting the development of our growing municipality.

Our many challenges have sometimes overshadowed our success stories, but it gives me great pleasure to outline them here in this my last annual review as the Mayor of Jobini Municipality before the 2011 Local Government Elections. With all that has been achieved I feel comfortable that we have met the role and objectives of local government as defined in Section 152 of the Constitution.

In the year when our country hosted the FIFA World Cup Tournament for the first time in Africa, we have taken part in growing the sport in our areas. Through Municipal Infrastructure Grant (MIG) we have managed to build Nondabuya Sportfield (R 1,8 m il), Gagadweni Sportfield (R 2,1 m il), Ndum o Sportfield (R 1,3 m il), Ingwavuma Sportsfield (R 1 m il) and Makwaka Sportfield (Under Construction).

On the topic of housing, 800 of 1200 houses were completed at Kwabbe, 502 houses were completed at Jobini. Sigakatha Rural Housing project is waiting for approval by the Department of Housing. Ward 5 Housing project is in progress. Ministerial Housing project (4500 houses) is also in progress with a R500 million budget.

I believe that the challenges that face us as government today require not only the effort of the leadership of this government, but rather a collective effort on how we contribute in the creation of a more resilient economy and in responding to the socio-economic challenges that face us.

It is a great pleasure to announce the uHlaza Village Project at uMkuze which includes the businesses, houses (Low, Medium and High cost). This project is funded by the private partners of Jobini Municipality. The project is estimated to cost R 1,2 Billion.

The municipality has once again received an unqualified audit report in respect of the 2009/2010 financial year from the Auditor General, thereby repeating its previous achievements.

The unqualified audit report was announced on 2<sup>nd</sup> December 2010 at the official handover ceremony held in Pietermaritzburg.

This result means that the municipality has displayed good management, excellent financial controls, sustainable efforts of personnel and Council and has accounted for all its assets and liabilities. Furthermore, the report indicates that despite the difficult economic times, the Municipality remains committed to good governance and accountability in terms of spending the ratepayers' money.

Looking back on my term of office, the level of community involvement has been a highlight that has brought great personal satisfaction. I am proud to say that I

have been active in all communities and they, in turn, have become increasingly more involved in local government and its issues.

The budget has been driven by communities and I have made sure that our residents understand how local government functions.

People now understand the difference between the budget and the Integrated Development Plan and are able to make meaningful contributions to both processes.

To my colleagues, especially those on the Executive Committee, I would like to thank you for your support. It has been encouraging to see how the political parties have been able to unite and demonstrate that local government is about service delivery and not party politics.

My sincere appreciation goes to our officials who have shown commitment and dedication to see us through all the time. We now have a turnaround strategy in place and have become more astute in the management of the Municipality's finances.

I would also like to thank the community. I believe we have achieved sufficiently for our communities and we have largely enjoyed their support. Complaints will always be forthcoming but these are generally regarding operational issues such as refuse removal and cutting of verges, which we take up with the responsible officials. We account to the public and we must take criticism positively. I appreciate all the calls and e-mails that I have received to make me aware of issues that need attention – there is no issue too small.

During my term of office I have enjoyed support from all sectors of the community including business leaders and Amakhosi. I sincerely thank Amakhosi for the solid relationship that has been established. This is the first time that we've had such a good relationship and we are warmly welcomed in all the traditional areas. It has been a pleasure working with them and develop such an open and honest relationship.

Lastly, I would like to thank our Municipal Manager and his dedicated team of officials who work tirelessly to uphold the high standard of service delivery to our communities. They together with our councillors, have adopted the theme "Hard at Work" during the financial year ensuring that Jobini Municipality emerges stronger.

**Cllr Thembeni P. Madlopha-Mthethwa**

**Mayor**

## Review by the Accounting Officer

The Municipality's activities were motivated by the expectation of the Africa / South Africa FIFA Soccer World Cup 2010. Jobini Municipality partnered with the whole world in determination.

In terms of the South African Constitution Act 108 of 1996 Section 156, powers and functions are guiding parameters.

The core business of the municipality is service delivery in general. Jobini Municipality has come of age and size and concentrated on the sustainable delivery of services.

This is done and delivered through the clear segregation of functions through 4 consolidated functions and divisions:

- 1) Corporate Division – Community Services and human resources
- 2) Technical and Planning
- 3) Management Department
- 4) Finance Department

Without exclusion I dedicate this year's Auditor General's report to our finance department, through which we attained the Unqualified Audit Opinion. This achievement is for the second time in succession, thanks to the relentless support from Council.

We need different institutional organs: Audit Committee, Internal Auditors and External Auditors in the promotion and the implementation of effective contracts.

Dear colleagues, team efforts pays. Let's unite and perform our roles.

We have noticed quite substantial changes in finance, implementation of the MFMA Act No. 56 of 2003, Grap, new planning regulations (PDA) environmental requirements and Property Rates Act No 6 of 2004)

On conclusion, the municipal turnaround strategy with all its formulate talk to all of us.

"Wishing you all the best in the fourth coming years"

**Noel Nxebalendoda Nkosi**

**MUNICIPAL MANAGER**

## **Department of Planning & Development**

### **Land Use Management**

### **Human Settlement**

### **Integrated Development Plan**

### **Formalisation of Towns**

### **Land Use Management**

LUMS is a legal requirement that Jobini Municipality is obliged to meet in terms of the Municipality Systems Act. It will provide a unitary framework for managing development and land use across the entire municipality, including rural areas. The system will need to be revised every two to five years.

It will be used to implement the strategic vision of the Strategic Development Framework Plan into detailed land use and development. Importantly it will provide certainty for investment and local economic investment.

In the new financial year the Municipality will embark on a public awareness campaign on a new Provincial Planning and Development Act.

### **Human Settlement**

#### **Jobini Housing**

Council was able to complete 502 houses for the Jobini Housing Projects. The process of transferring the Houses to beneficiaries is in progress.

#### **Ward 5 Housing**

The Implementing agent, MX Consulting, has formed partnership with Stedone to complete the project.

#### **KwaJobbe Housing**

About 1200 houses has been completed. The remaining 800 houses will be built once the state land has been transferred to the municipality.

#### **Ministerial Housing**

The project is in progress. 4500 houses will be built at a budget of R 500 million.

#### **Sigakatha Rural Housing**

The project is awaiting approval from the Department of Human Settlement.

### **Integrated Development Plan (IDP)**

The IDP for 2010/11 financial year was submitted on time to the MEC: Corporate Governance and Traditional Affairs.

The IDP was done in-house by the IDP Manager and was successfully reviewed and adopted by the Municipal Council on time.

All ward committee members and the public shown high level of interest during the IDP/Budget public participation processes. By encouraging public involvement Council was able to hear the community's views regarding needs so that priorities could be ascertained. The meetings also created an opportunity to build a general understanding by communities about municipal systems, local competencies and other such matters.

### **Formalisation of Bham banana, Ndum o and Jozini Towns**

The main purpose for the formalisation of towns is to broaden the income base of the municipality by creating a conducive environment for investors to develop in.

Council appointed Isibani Planning and Isibuko Se-Africa Planning Consultants to formalize the above-mentioned towns. The project is funded by the Department of Corporate Governance and Traditional Affairs (R625 000.00).

The project is still in progress and is expected to be finalized in the next financial year.

The Ingonyama Trust Board is also one of the key stakeholders in the town formalisation process.

As much as only Ndum o, Bham banana and Jozini towns will be formalized but the end product will also encompass a municipal wide Town Planning Scheme.

### **Town Urban Design Framework**

This project was approved on the basis of the Small Town Rehabilitation business plan that was submitted to CoGTA and the technical part has been completed. It will be submitted to Council for adoption in the next financial year.

The funding received amounts to R 600 000.00.

### **Building Plans**

During the 2009/10 financial year, 31 building plans were received. Only 9 building plans were approved, 22 building plans were not approved.

The reason for not approving were mainly because of insufficient information.

**Waste Management Services**

**Integrated Waste Management Plan**

Council appointed Sivist to prepare the IWM Plan. It is expected that the project will be completed in the next financial year.

**MIG Projects**

**Maphindela Community Hall**

Contractor : Ikhayalakho Housing  
Project Value : R1,8 million  
Project Status : In progress.  
Targeted Completion Date : 31 August 2010

**Ekukhlehleni Service Centre**

Contractor : DZM Investment  
Project Value : R1,9 million  
Project Status : In progress  
Targeted Completion Date : 30 November 2010

**Esihlanguwini Community Hall**

Contractor : Magubane National Construction  
Project Value : R1,6 million  
Project Status : In progress  
Targeted Completion Date : 30 November 2010

**Nondabuya Sportsfield**

Contractor : Tauris Garden Trading 500cc  
Project Value : R1,8 million  
Project Status : In progress  
Targeted Completion Date : 30 November 2010



**Gangadweni Sportsfield**

Contractor	:	Crystal Lagoon
Project Value	:	R2,1 m il
Project Status	:	In progress
Targeted Completion Date	:	30 November 2010

**Mpondwane Community Hall**

Contractor	:	Siyakwethemba JV Mbuthuma Construction
Project Value	:	R1,9
Project Status	:	In progress
Targeted Completion Date	:	30 November 2010

**Ntabayenge Community Hall**

Contractor	:	Qiniseka Construction
Project Value	:	R2,4 m il
Project Status	:	In progress
Targeted Completion Date	:	30 November 2010

**Jozini Vendor Stalls**

Contractor	:	Ndalindali Thobethulani
Project Value	:	R252 291 25
Project Status	:	In progress
Targeted Completion Date	:	30 November 2010

**Ndum o Sportsfield**

Contractor	:	Bhuqabhuqa Business Enterprise
Project Value	:	R1,3 m il
Project Status	:	In progress
Targeted Completion Date	:	30 November 2010

**Ingwavuma Sportsfield**

Contractor : SNX Construction & Grass for Africa  
Project Value : R700 000.00 & R300 000.00  
Project Status : In progress  
Targeted Completion Date : 30 November 2010

**Mombeni Community Hall**

Contractor : Nomaphenduka Investments  
Project Value : R1.9 mil  
Project Status : In progress  
Targeted Completion Date : 28 February 2011

**Jozini Sewer Upgrade**

Contractor : Impact Plus  
Project Value : R2.2 mil  
Project Status : In progress  
Targeted Completion Date : 30 November 2010

**Makwaka Sportfield**

Contractor : Mageni Group  
Project Status : In progress  
Targeted Completion Date : 28 February 2011

**Mamfene Pedestrian Bridge**

Contractor : Jacks Paint and Hardware  
Project Value : R968 576.05  
Project Status : In progress  
Targeted Completion Date : 30 November 2010

**Ezinyokeni Community Hall**

Contractor : Magubane National Contractor  
Project Value : R1,8 m il  
Project Status : In progress  
Targeted Completion Date : 30 November 2010

**KwaNduna uNkosi Community Hall**

Contractor : Phipho Management Services  
Project Value : R2,2 m il  
Project Status : In progress  
Targeted Completion Date : 28 March 2011

**Majalandini Skills Centre**

Contractor : Sobonakhona Projects  
Project Value : R1,7 m il  
Project Status : In progress  
Targeted Completion Date : 28 February 2011

**Jacobus Marais**

**Executive Director: Planning & Development Services**

## **CORPORATE & COMMUNITY SERVICES DEPARTMENT**

### **TRAFFIC SECTION**

Consists of the following staff:

1. Chief Traffic Officer: Mr T A M thembu
2. Traffic Officer: Mr D Z M pontshane
3. Traffic Officer: Mr T M Nxumalo
4. Traffic Officer: Mr Xolani Ntombe

Traffic Section is responsible for Law -enforcement. The Traffic Offices are situated at Mkhuze.

The following is the table that represents the Traffic Fines generated as from 1<sup>st</sup> of July 2009 to 30<sup>th</sup> June 2010.

<b>MONTH</b>	<b>AMOUNT RECEIVED</b>
July 2009	R11 500.00
August 2009	R19 550.00
September 2009	R28 800.00
October 2009	R10 250.00
November 2009	R8 200.00
December 2009	R7 450.00
January 2010	R12 850.00
February 2010	R11 800.00
March 2010	R13 300.00
April 2010	R21 350.00
May 2010	R27 650.00
June 2010	R23 250.00
<b>TOTAL REVENUE GENERATED</b>	<b>R195 950.00</b>

**LIBRARY SECTION**

Consists of the following staff:

1. Librarian: Mr Bheki Mdletshe
2. Assistant Librarian: Mr Jabulani Mlambo
3. Assistant Librarian: Mr Siphatheka Mngomezulu
4. Cybercadet: Mr Sihle Zulu

The Library is offering the following services to the community:

- Computer courses for free,
- Trained 60 ABET students in computer course and 20 ward committees,
- Internet for free to the community.

**THUSONG SERVICE CENTRE**

Consists of the following staff:

1. Manager Thusong: Mr Sifiso Ntsele
2. Counter Service Clerk: Mr Mbuso Dlamini
3. Counter Service Clerk: Miss Andile Zimu
4. Counter Service Clerk: Miss Makhosi Sangweni
5. Counter Service Clerk: Mr Senzo Gumbi

The Centre is completed and ready for the usage by the following Departments:

- Department of Labour
- Department of Home Affairs
- Department of Social Development
- SASSA
- IEC
- LED (Jobini Municipality)

**REGISTRY SECTION**

Consists of the following staff:

1. Registry Clerk: Miss SN Ntshangase
2. Registry Clerk: Mrs ND Nyawo

The Section is responsible for record keeping for the whole municipality. Hence, the 2008/2009 & 2009/2010 audit report was unqualified.

## **COMMITTEE SECTION**

1. Committee Officer: Mrs Nontobeko Madlapha
2. Committee Officer: Mr K B Dlamini

Mrs Madlapha's office is responsible for the compilation of the agenda for Exco, Council and Portfolio Committee Meetings.

Mr Dlamini's office is responsible for the management of the ward committees which is equal to 170 from 17 wards. Also responsible for the management of CDWs.

## **COMMUNITY SERVICES SECTION**

Consists of the following staff:

1. Community Liaison Officer: Mr P Ntshangase
2. Manager Special Programmes: Miss B O Matherjwa
- 3.

The section is responsible for the following: Youth matters, Disability Issues, Sports & Recreation, Arts & Culture, Women & Children Issues, HIV & AIDS, Gender & Violence and Flagship Programme.

## **COMMUNITY PARTICIPATION**

Property Rates Workshop at Umhingo Township (Mkhuze) in Ward 02.

Mbalekelwa in ward 14.

Youth & Women Meeting in ward 15.

Ward 16 Youth Meeting.

Shono Mzayoni at Jzini Stadium Hall.

Municipal Kwana-bga Games.

Youth Day Celebration.

## **DISASTER MANAGEMENT**

Disaster Advisory Forum Meeting.

Disaster Incidents in different wards.

**PERFORMANCE MANAGEMENT SYSTEM****PMS SUMMARY OF FINAL RESULTS 09/10 FOR SECTION 57**

<b>NAME &amp; DESIGNATION</b>	<b>FINAL RESULT 09/10</b>
1.M r N N .Nkosi (Municipal Manager)	3 2
2.M r J A .Mngomezulu (Exc.Director Corporate and Community Services)	3 2
3.M r J E .Marias (Exc.Director Planning and Technical)	3 1
4.M r T V .Mdluli (Chief Financial Officer)	3 5

**PLANNING AND TECHNICAL DEPARTMENT 3<sup>rd</sup> AND 4<sup>th</sup> QUARTERLY RESULTS 09/10**

<b>NAME &amp; DESIGNATION</b>	<b>3<sup>rd</sup> AND 4<sup>th</sup> QUARTER RESULTS 09/10</b>
1.M r M .Mhlango (IDP Manager)	3 5
2.M r X P .Kunene (Manager Waste)	3 2
3.M r S .Mabaso (LED Manager)	2 8
4.M r S .Bhengu (Technical Manager)	2 7
5.M s T .Mponshane (Building Inspector)	3 2
6.M s A Xaba (PA to Planning Director)	3 9
7.M r M C .Mthembu (Transport Officer)	3 4
8.M s N .Myeni (Technical Officer)	2 8
9.M r J .Khumalo (Tourism Officer)	2 8
10.M r J Dlamini (LED Officer)	2 9

**CORPORATE AND COMMUNITY SERVICES DEPARTMENT 3<sup>rd</sup> AND 4<sup>th</sup>  
QUARTERLY RESULTS 09/10**

<b>NAME &amp; DESIGNATION</b>	<b>3<sup>rd</sup> AND 4<sup>th</sup> QUARTER RESULTS 09/10</b>
1 Miss B O .M athenjwa (Manager Special Programmes)	
2 Mr B N .Buthelezi (Admin Manager)	2.8
3 Mr B S.Ntsele (Thusong Manager)	2.6
4 Mrs N E.M adlopha (Committee Officer)	2.8
5 Mr K B.Dlamini (Committee Officer 2)	2.7
6 Mr Lindani Ndlazi (IT Officer)	2.8
7 Mr R .M khwanazi (Pound Keeper)	2.8
8 Mr K P.Ntshangase (Community Liaison Officer)	2.5
9 Mr T A.M thembu (C.T.O.)	3.5
10 Miss M P.M yeni (HR Officer)	3
11 Mr J M lambo (Librarian)	3
12 Mr Z E.M pontshane (PM S O fficer)	3
13 Mr S.Zulu (Library Assistant)	2.8
14 Mr S M ngomezulu (Library Assistant)	2.8
15 Miss S.Ntshangase (Registry Clerk)	2.6
16 Mrs N D .Nyawo (Registry Clerk)	2.4
17 Mrs P.M yeni (Receptionist)	2.8



**FINANCE DEPARTMENT 3<sup>rd</sup> AND 4<sup>th</sup> QUARTERLY RESULTS 09/10**

NAME & DESIGNATION	3 <sup>rd</sup> & 4 <sup>th</sup> QUARTER RESULTS 09/10
1 .M rs SQ .M ntambo (Finance M anager)	2 6
2 .M iss L.I.Shabalala (AssM an . Expenditure)	3
3 M r SS.Dube (Ass.M anager Revenue)	3
4 .M s J.M dletshe (Debtors Clerk)	2 9
5 .M s Z.M khize	
6 .M rs N .M them bu (Creditors Clerk)	2 9

**MANAGEMENT SECTION 3<sup>RD</sup> AND 4<sup>TH</sup> QUARTER RESULTS 09/10**

NAME & DESIGNATION	3 <sup>RD</sup> & 4 <sup>TH</sup> QUARTER RESULTS 09/10
1 .M r T Nyaw o (P A .to the M ayor)	3
2 .M r N Ndlovu (Com m unications O fficer)	2 8
3 .M iss T .Buthelezi (P A .to M M )	2 6
4 .M iss L.M ngom a (Internal Auditor)	2 7

**Jaconia A .M ngom ezulu**

**Executive Director:Com m unity & Corporate Services**

## **Department of Financial Services**

### **Financial Planning and Budgeting**

### **Expenditure and Related Liabilities**

### **Income and Related Credit Management**

### **Financial Reporting**

## **Valuations**

A new valuation roll was implemented in 2009. The process is ongoing with the objections against the valuation roll still in progress and several supplementary valuation rolls being implemented.

## **Debt Collection**

In spite of deepening financial crisis and the increasing difficulty experienced in the collection of monies, the department was able to collect R8 6 million revenue excluding grants and subsidies.

Our debtors has increased to

## **Tariff**

Tariff increases for the new financial year were kept below the annual CPI for all tariff.

## **Policy**

Council approved the Asset Management Policy and the Fraud Prevention and Anti-corruption Policy.

The Asset Management Policy accomplished two primary objectives:

- To ensure that and prescribe policy for the adherence to General Recognised Accounting Practice (GRAP);
- To create a platform for the formulation of an Asset Management Plan for the whole Municipality.

The primary aim of the Fraud Prevention and Anti-corruption Policy is to enforce good governance and work ethics. This ensures that the organization has zero-tolerance to any form of fraud or corruption, which in turn promotes the strongest form of "internal control" in the organization.

**Key Accomplishments**

Within the Supply Chain environment both elements of our developmental obligations together with good governance can easily be illustrated by the fact that almost 100% of contract work with tenders below R200k are procured from HDI businesses, most of which are 100% HDI owned.

**Budget Public Participation**

The 2010/2011 Multi-year Budget was tabled before Council on 27 March 2009 and followed by a budget public participation process, which took the form of cluster meetings held in various locations throughout the Municipality.

The broader issues at the public participation meetings were common concerns from the community regarding low cost housing, supply of water, supply of electricity, roads and sanitation. The Mayor responded with comprehensive answers to the concerns raised.

**TV M DLULI****CHIEF FINANCIAL OFFICER**





# JOZINI MUNICIPALITY

(KZ 272)

The Council,

With the introduction of the Jozini Municipality's Oversight Committee, an expectation has been created whereby effect would be given to section 152 (1) (a) of our Constitution, namely to provide democratic and accountable government for local communities

The relationship between the IDP, Budget and Annual Report is well documented in National Treasury's MFMA Circular no. 11, which stated, The IDP and Budget is forward looking, they set out what the municipality intends to do and the funds it will raise and spend. The Annual Report, on the other hand, is backward-looking as it reports on actual performance at the financial year.

For the purpose of transparency and to the knowledge of all non-executive councilors and the public present today, I will table this report by means of an holistic approach for clarity purposes.

## 1) INTRODUCTION

- a) The 2009/2010 of Annual Report was tabled to Council on the 31<sup>st</sup> of January 2011 in compliance with the Municipal Finance Management Act (MFMA) which requires under Section 127(2) that:
  - i. "The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality".
- b) When tabled, the annual report should include four main components are:
  - i. The annual performance report as required by section 46 of the MSA;
  - ii. Annual Financial Statements submitted to the Auditor-General;
  - iii. The Auditor-General's audit report on the financial statement in terms of Section 126 (3) of the MFMA; and

- iv. The Auditor-General audit report on performance in terms of Section 45 (b) of the MSA.
- v. Section 129 of the MFMA requires the council to consider the annual report of its municipality and to adopt an Oversight Report containing the council's comments on each annual report.

## **2) PURPOSE**

- a) To submit the Oversight Report on the Annual Report of 2008/2009 in terms of Section 120 of the Municipal Finance Management Act, 2003, (MFMA).

## **3) BACKGROUND**

- a) Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, The Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA). The oversight responsibility of council is particularly important for the process of considering annual reports.
- b) The MFMA and MSA recognize that council has a critical role to play to ensure better performance by municipal departments. There exists an explicit linkage between the strategic goals, set by council through the IDP, which are translated into the budget, and the delivery of those goals, which is reported in the Annual Report. It is important for council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/council, the administration and the public.
- c) The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the mayor to resolve any performance failures, ultimately the council is vested with the power and responsibility to oversee both the executive and administration.
- d) The separation of roles between the council and administration is intended to strengthen the oversight function of councilors. Good governance and effective oversight and accountability are predicated on the separation of functions. It is

fundamental for the achievement of the objects for local government in the Constitution relating to a democratic and accountable system of local government.

- e) Council oversees the performance of the administration through council and committee meetings.
- f) In terms of Council Resolution **dated 31 January 2009**, such an Oversight Committee was established in terms of Section 79 of the Structures Act, 1998, to review the Annual Reports of the Council and prepare an Oversight report on the Annual Reports.
- g) The Council's 2009/2010 Annual Report was tabled to Council on 31 January 2011 in terms with Section 127 (2) of the MFMA, and was made public in terms of Section 127 (5) of the MFMA
- h) The annual report of 2009/2010 was referred to the Municipal Communities as well as municipal stakeholders to consider the report and submit comments to the Municipal Manager and the report was further referred to the Oversight Committee for deliberation.
- i) In dealing with the tabled Annual Report, Council is required to adopt an Oversight Report by not later than two months from date of tabling, which for the 2009/2010 Annual Report, will be 31 March 2011.
- j) The oversight report is the final major step in annual reporting process of a municipality. Section 129 of the MFMA requires council to consider the annual reports of its municipality and adopt an oversight report containing the council's comments on each of the following statements:
  - i. Council has approved the annual report with or without reservations;
  - ii. Council has rejected the annual report; or
  - iii. Council has referred the annual report back for revision of those components that can be revised.
- k) The oversight report is thus clearly distinguished from the annual report. The annual report is submitted to the council by the accounting officer and the mayor is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by council.
- l) The oversight report is a report of the municipal council and follows consideration and consultation on the annual report by the council itself.
- m) Thus the full accountability cycle is now completed and the separation of power is preserved to promote effective governance and accountability.

4) Including in our Oversight Report,

We have attached all relative documentation, including the Minutes of the Oversight Committee, the Annual Report Checklist, as per MFMA Circular 32, the Response and Action Plan applicable to all matters of emphases as defined in the Auditor-General's Report.

**5) THE FUNCTION OF THE OVERSIGHT COMMITTEE:**

- a) Undertake a review and analysis of the Annual Report.
- b) Invite receive and consider input from Councilors and Portfolio Committee, on the Annual Report.
- c) Consider written comments received on the Annual Report from the public consultation process.
- d) Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- e) Preparation of the draft Oversight Report. Taking into consideration the views and input of the public, representative(s) of the Auditor General, organs of states, Council's Audit Committee and Councilors.
- f) Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.

**6) 2009/2010 ANNUAL REPORT CONSULTATION PROCESS**

- a) The communities were advice, through the print media of the availability of the annual report and were invited to submit representations on the report.
- b) The annual report was available at all Municipal Libraries and the Office of the Municipal Manager offices. The annual report was also submitted to the Auditor General, National Treasury, Provincial Treasury and the Department of Kwazulu Natal Cooperative Government and Traditional Affairs.
- c) At the closing date for public submissions, no submissions were received and therefore no Public Hearing was held.

**7) SUMMARY OF COMMENTS ON THE 2009/2010 ANNUAL REPORT**

- a) The Oversight Committee discussed the 2009/2010 Annual Report at the following meeting:
  - (i) 25 March 2010



- b) In this meeting, the Annual Report for 2009/2010 together with the Auditor General's audit report was considered.

In order to approve the annual report without reservations, Council should agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

- c) To promote continuous improvement in the performance of the municipality, it is strongly recommended that council reward performance in a manner that is commensurate with achievement of policy outcomes. Therefore, the payment of performance bonuses should be measurable with the extent of outcomes achieved. Where reservations exist, the seriousness of such should be taken into account before considering any part- payment of bonuses.

## **8) SUMMARY OF COMPONENTS OF THE OVERSIGHT REPORT**

- a) The Audit Annual Financial Statements.
- b) The Auditor General's Report on the financial statements.
- c) The Auditor General's Report on the Performance Measurement.
- d) Reservations, recommendations and action plans.

## **9) CONCLUSION**

- a) The committee concludes that despite the significant improvement in function of the Municipality regardless of the absence of the municipal manager mostly throughout the financial period, improvement is still needed in certain areas as stipulated by the Auditor-General and in particular the municipal Council has resolved that the Dept Collection function be outsourced to competent private organizations in order to see an improvement in coming year and to ensure the improved served delivery by using the monies locked in outstanding account and to efficiently balance our budget..
- b) The Committee thanks all the Committee members for their constructive input during the oversight period, the Acting Municipal Manager, and his team, the Auditor-General and the Audit Committee for their effort in ensuring improved governance matters.

**10) RECOMMENDED RESOLUTION TO BE ADOPTED BY COUNCIL, IN ACCORDANCE WITH MFMA**

**SECTION 129(1)**

1. That cognizance be taken of the Oversight Report on 2009/2010 annual report, as submitted by the Oversight Committee together with the recommended corrective actions as set out bellow:
  - (a) That Council, having fully considered the annual report of the municipality for the financial year 2009/2010 representations thereon, adopts the Oversight Report.
  - (b) That the Council note that the absence of the Municipal Manager as the Strategic Leader or Head of the organization is a critical position that requires urgent attention
  - (c) That the Municipal Manager Position be filled before the Start of the financial year 2011/2010
  - (d) That the position exists in the Audit Committee as the key Governance Structure in terms of the MFMA be filled with immediate effect and outstanding meetings be held as guided by the Municipal Finance Management Act.
  - (e) That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, 56 of 2003.
  - (f) That the Oversight Report on Annual Report 2009/2010 be submitted to the provincial legislature in according with Section 132(2) of the Municipal Finance Management Act, 56 of 2003.

Thank You

Cllr. H.M Myeni

Speaker

Jozini Municipality